

Enabling Same-Day Cash Application Alongside a 60% Reduction in Staff



About Travis Perkins plc

With offices in Northampton, Glasgow, and Reading, the combined Travis Perkins brands are a British builders' merchant and home improvement retailer. The largest merchant in business within the UK, the company is on the London Stock Exchange and a constituent of the FTSE 250 Index.

The Challenge

Travis Perkins is a "highly transactional organization," says Martin Crisp, Head of Group Order to Cash. "We generate a huge number of invoices to customers, so we have a lot of payments that need to be processed."

Yet for years, the company relied on a manual cash application process with a team of 25 responsible for handling hundreds of thousands of transaction invoices every month.

As the business grew over time, so did the transaction volume. "We were dealing with buckets upon buckets of remittances," says Gill Faulkner, Accounts Receivable Manager.

As a result, the team operated at least a month behind.

"Payments were in, but they weren't allocated," says Gill. "And without a clear account, you can't ask for the right overdue debt. There could be three or four payments sitting in an account. It can become very messy very quickly."

Travis Perkins

INDUSTRY

Construction

REGION

Global

ADOPTION DATE

2014

ERP

Oracle Fusion

NUMBER OF USERS

15

PRODUCTS USED

Cash Application

BUSINESS BENEFITS

Applied cash faster alongside a 60% reduction in staff, reduced unapplied cash by 96%, improved business intelligence, increased confidence in the books, enabled a data-driven approach, and freed existing staff for value-added work.



"Because there are fewer transactions in the suspense account, we can have conversations with credit control or address discrepancies. Before BlackLine, we never had the time."

Gill Faulkner
Accounts Receivable Manager

Why BlackLine

Leadership knew the manual cash application process left the company open to increasing risk over time.

“There was recognition that we were behind the curve and needed to move forward,” says Martin. “The thinking was that, as an exponentially growing organization, we couldn’t continue to rely on a historical manual process.”

Finding a solution to streamline and automate cash allocation was a key part of an overall transformation initiative within Travis Perkins. Consultants were brought in to vet suppliers, as well as to assist with implementation.

After an in-depth look at the team’s needs, the consultants suggested BlackLine Cash Application.

“It’s fair to say that there are few solutions on the market that can handle the volumes we generate,” says Martin. “After we did our due diligence, we knew that BlackLine could more than meet our requirements.”

The Results

Applied cash faster alongside a 60% reduction in staff. Despite a significant increase in transactions and a smaller team, the team is completing cash application faster than ever before.

“Our team was originally 25 people. Now it’s only 10, and yet we’re processing more transactions in less time,” says Gill. “BlackLine is worth the investment.”

Reduced unapplied cash by 96%. Previously, the team often ran a month behind on cash application.

“Today, most of the money that comes in today is allocated today,” says Gill. “As BlackLine learns from each transaction, far fewer payments go into a suspense account.”

“We have the best numbers we’ve ever had in terms of processing payments,” adds Martin.

Improved business intelligence. Same-day cash application has had a downstream effect.

“BlackLine has had an impact on the entire company,” says Martin. “There are fewer questions about why an item is unallocated. The credit team can automatically see what’s outstanding. And accounts are cleaner, which makes it easier to chase outstanding debt.”

Increased confidence in the books. With BlackLine, the team has created a highly transparent central source of truth.

“We’re fielding fewer queries from other branches, and there are fewer concerns about payments,” says Martin. “Everyone has a high degree of confidence that the numbers they see are accurate.”

Enabled a data-driven approach. BlackLine provides increased access to meaningful data.

“The team is now very data-driven in terms of its thinking,” says Martin. “The manager of the team is passionate about making use of all the data we have. BlackLine delivers insights that help us evolve.”

Freed existing staff for value-added work. As BlackLine automates much of the cash application process, the team has more time to research outstanding issues.

“Because there are fewer transactions in the suspense account, we can have conversations with credit control or address discrepancies,” says Gill. “Before BlackLine, we never had the time.”